

Name:

Enrolment No:



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2018

Course: Business Accounting

Programme: BBA FAS

Max. Marks: 100

Instructions:

Semester: I

Time: 03 hrs.

CC: FINC 1001

SECTION A

S. No.		Marks	CO
	Multiple choice questions. All questions are compulsory	2X10= 20	
1)	Accounting provides information on a) Cost and income for managers b) Company's tax liability for a particular year c) Financial conditions of an institutions d) All of the above	2	CO1
2)	The long term assets that have no physical existence but are rights that have value is known as a) Current assets b) Fixed assets c) Intangible assets d) Investments	2	CO2
3)	The assets that can be converted into cash within a short period (i.e. 1 year or less) are known as a) Current assets b) Fixed assets c) Intangible assets d) Investments	2	CO1
4)	Patents, Copyrights and Trademarks are a) Current assets b) Fixed assets c) Intangible assets d) Investments	2	CO1

5)	The debts which are to be repaid within a short period (year or less) are known as a) Current liabilities b) Fixed liabilities c) Contingent liabilities d) All of the above	2	CO1
6)	The sales income (Credit and Cash) of a business during a given period is called a) Transactions b) Sales Returns c) Turnover d) Purchase Returns	2	CO4
7)	Any return evidence in support of a business transaction is called a) Journal b) Ledger c) Ledger Posting d) Voucher	2	CO1
8)	The account that records expenses, gains and losses is a) Personal account b) Real account c) Nominal account d) None of the above	2	CO2
9)	Real account records a) Dealings with creditors or debtors b) Dealings in commodities c) Gains and Losses d) All of the above	2	CO2
10)	In Journal, the business transaction is recorded a) Same day b) Next day c) Once in a week d) Once in a month	2	CO1

SECTION B

Section B Answer the following (4*5=20 marks)

Q1	<p>Calculate the amount of depreciation per year and rate of depreciation (WDV) using following information-</p> <p>Purchase price of machine = Rs 4,75,000</p> <p>Installation charges of machine = Rs 25,000</p> <p>Expected useful life of machine = 5 years</p> <p>Estimated scrap value of machine = Rs 50,000</p>	5	CO3
Q2	<p>Calculate the amount of depreciation for each accounting year(SLM) using following information-</p> <p>Purchase price of machine = Rs 475000</p> <p>Installation charges of machine = Rs 25000</p> <p>Expected useful life of machine = 5 years</p> <p>Estimated scrap value of machine = Rs 50000</p> <p>Rate of depreciation = 18%</p>	5	CO1,2
Q3	Explain the concept of accounting process.	5	CO1
Q4	Describe balance sheet, income statement and concept of final accounts.	5	CO1
SECTION-C			
	Answer the following (30 marks)	Marks	
Q1	Define depreciation. Explain two methods of depreciation.	5	CO1
Q2	State the difference between SLM and WDV	5	CO2
Q3	Explain the difference between cash flow from investing activities, financing activities and operating activities. Provide examples	10	CO4
Q4	Explain various accounting ratios.	10	CO4
SECTION-D			
	Attempt any one	Marks	

Q1	<p>Mr. Ramu has the following transactions in the month of July. Record them into the journal and show postings in the ledger and balance the accounts.</p> <p>July 1st : Ramu started business with a capital of 75,000</p> <p>1st : Purchased goods from Manu on credit 25,000</p> <p>2nd : Sold goods to Sonu 20,000</p> <p>3rd : Purchased goods from Meenu 15,000</p> <p>4th : Sold goods to Tanu for cash 16,000</p> <p>5th : Goods returned to Manu 2,000</p> <p>6th : Bought furniture for 15,000</p> <p>7th : Bought goods from Zenu 12,000</p> <p>8th : Cash paid to Manu 10,000</p> <p>9th : Sold goods to Jane 13,500</p> <p>10th : Goods returned from Sonu 3,000</p> <p>11th : Cash received from Jane 5,500</p> <p>12th : Goods taken by Ramu for domestic use 3,000</p> <p>13th : Returned Goods to Zenu 1,000</p> <p>14th : Cash received from Sonu 12,000</p> <p>15th : Bought machinery for 18,000</p> <p>16th : Sold part of the furniture for 1,000</p> <p>17th : Cash paid for the purchase of bicycle for Ramu's son 1,500</p> <p>19th : Cash sales 15,000</p> <p>20th : Cash purchases 13,500</p>	30	CO4
Q2	<p>Journalise the following transactions in the books of Moon and post them into the ledger for the month of August</p> <p>Aug 10th : Moon commenced business with a capital of 1,50,000</p> <p>11th : Cash deposited into bank 50,000</p> <p>12th : Bought equipment for 15,000</p> <p>13th : Bought goods worth 20,000 from Star and payment made by cheque</p> <p>14th : Sold goods to Sun for 15,000 and payment received through cheque</p>	30	CO4

	16 th : Paid rent by cheque 5,000		
	17 th : Took loan from Mr. Storm 25,000		
	18 th : Received commission from Mr. Air by cheque 5,000		
	19 th : Wages paid 15,000		
	20 th : Withdrew from bank for personal use 3,000		
	21 st : Withdrew from bank for office use 10,000		
	22 nd : Bought goods for 25,000		
	23 rd : Cash paid into bank 30,000		
	24 th : Interest paid through cheque 2,000		
	25 th : Gave loan to Mr.Wind 10,000		
	26 th : Amount paid to Mr. Storm on loan account 15,000		
	27 th : Salary paid to Manager Mr. Liquid 5,000		
	28 th : Postage paid 1,000		
	29 th : Received cheque from Mr. Wind on loan account 3,000		
	30 th : Sold part of the equipment for 2,000		

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SECTION A

S. No.		Marks	CO
	Multiple choice questions. All questions are compulsory	2X10=20	
1)	When the concept of ratio is defined in respect to the items shown in the financial statements, it is termed as a) Accounting ratio b) Financial ratio	2	CO1
2)	The process of entering all transactions from the Journal to Ledger is called a) Posting b) Entry c) Accounting d) None of the above	2	CO2
3)	The following is (are) the type (s) of Journal e) Purchase Journal f) Sales Journal g) Cash Journal h) All of the above	2	CO3
4)	The following is a statement showing the financial status of the company at any given time a) Trading account b) Profit and Loss statement c) Balance Sheet d) Cash Book	2	CO4
5)	The following is a statement of revenues and expenses for a specific period of time a) Trading account b) Trial balance c) Profit and Loss statements	2	CO1

	d) Balance Sheet		
6)	Balance sheet is a statement of a) Assets b) Liabilities c) Capital d) All of the above	2	CO4
7)	Balance sheets are prepared a) Daily b) Weekly c) Monthly d) Annually	2	CO1
8)	The ratios that refer to the ability of the firm to meet the short term obligations out of its short term resources a) Liquidity ratio b) Leverage ratio c) Activity ratio d) Profitability ratio	2	CO2
9)	The measure of how efficiently the assets resources are employed by the firm is called e) Liquidity ratio f) Leverage ratio g) Activity ratio h) Profitability ratio	2	CO2
10)	The following is (are) the current liability(ies) a) Bills payable b) Outstanding expenses c) Bank Overdraft d) All of the above	2	CO1

SECTION B

	Section B Answer the following (4*5=20 marks)		
Q1	Calculate the amount of depreciation per year and rate of depreciation (WDV) using following information- Purchase price of machine = Rs 4,75,000 Installation charges of machine = Rs 25,000 Expected useful life of machine = 5 years Estimated scrap value of machine = Rs 50,000	5	CO3

Q2	<p>Calculate the amount of depreciation for each accounting year(SLM) using following information-</p> <p>Purchase price of machine = Rs 475000</p> <p>Installation charges of machine = Rs 25000</p> <p>Expected useful life of machine = 5 years</p> <p>Estimated scrap value of machine = Rs 50000</p> <p>Rate of depreciation = 18%</p>	5	CO3
Q3	Explain accounting principles and conventions	5	CO1
Q4	Describe the accounting cycle.	5	CO1
SECTION-C			
	Answer the following (30 marks)	Marks	
Q1	Explain the difference between depreciation, depletion and amortization	5	CO1
Q2	What are Journal and ledger? Explain its purposes.	5	CO2
Q3	Explain the concept of cash flow and differences between investing activities, financing activities and operating activities. Provide examples	10	CO4
Q4	Explain profitability ratios, liquidity ratio and assets utilization ratio	10	CO4
SECTION-D			
	Attempt any one	Marks	
Q1	Explain Separate entity, Cost Concept, Duality aspect concept and Realization Concept.	30	CO1,2
Q2	<p>Explain the following ratios.</p> <p>(a) Profitability ratios</p> <p>(b) Dividend pay out ratio</p> <p>(c) Current ratio and liquid ratio</p> <p>(d) Receivable turnover ratio and days' sales outstanding</p> <p>(e) Inventory turnover ratio and average holding period</p> <p>(f) Debt equity ratio, total debt to equity ratio, interest coverage ratio</p> <p>(g) Return on capital employed</p> <p>(h) Return on equity</p> <p>(i) Break up of ROE as per Dupont Analysis</p> <p>(j) Liquidity ratio</p>	30	CO1,2